



DONELAN CLEARY
WOOD & MASER, P.C.

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SURFACE TRANSPORTATION
BOARD

AUG 31 3 03 PM '98

RECORDATION NO. 21609 FILED

August 31, 1998

New Recordation No.

AUG 31 '98

3-03 PM

Dear Mr. Williams:

On behalf of Flex Leasing Corporation, I submit for filing and recording under 49 U.S.C. § 11301(a) and the regulations applicable thereunder, executed counterparts of a primary document, not previously recorded, entitled Memorandum of Lease ("Lease"), executed August 31, 1998.

The parties to the enclosed Lease are:

Flex Leasing Corporation
Suite 300
234 Front Street
San Francisco, CA 94111

- LESSOR

Phillips Petroleum Company
352 Adams Building
Bartlesville, OK 74004

- LESSEE

The said Lease, among other things, acts to lease the equipment listed in Annex A to the Lessee by the Lessor.

The equipment covered by the instant Lease is as identified in Annex A thereto, copy attached.

A short summary of the Lease to appear in the Surface Transportation Board Index is as follows:

"Covers 42 lined covered hopper cars, PSPX numbers."

Please enter under this Recordation No. the following cross index reference:

"See Recordation No. 21092 -G."

Enclosed is a check in the amount of fifty-two dollars (\$52.00) in payment of the filing fee (\$26.00) and the cross indexing fee (\$26.00).

Once the filing has been made, please return to bearer the stamped counterpart(s) of the document not required for filing purposes, together with the

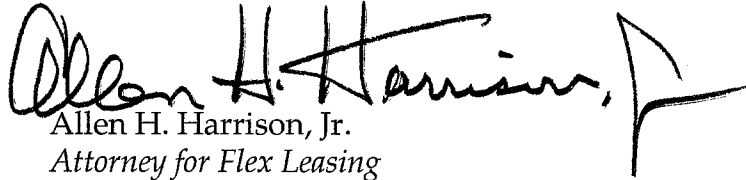
ATTORNEYS AND COUNSELORS AT LAW

1100 New York Avenue, Suite 750, N.W., Washington, D.C. 20005-3934, Tel: 202-371-9500, Fax: 202-371-0900

Counterparts

letter/fee receipt from the Surface Transportation Board acknowledging the filing, and the two extra copies of this letter of transmittal.

Very truly yours,

A handwritten signature in black ink, reading "Allen H. Harrison, Jr.", followed by a large, stylized flourish.

Allen H. Harrison, Jr.
*Attorney for Flex Leasing
Corporation, for the purpose
of this filing.*

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423
Enclosures

BY HAND

8357-020

ANNEX A

Description of Equipment

Forty Two (42) 6245 Plastic Pellet Lined Covered Hopper Cars, all of which have the following car initials and numbers (all numbers are inclusive):

PSPX 9201 - PSPX 9202
PSPX 9204 - PSPX 9211
PSPX 9213 - PSPX 9214
PSPX 9216 - PSPX 9220
PSPX 9222 - PSPX 9225
PSPX 9227 - PSPX 9229
PSPX 9232 - PSPX 9234
PSPX 9236 - PSPX 9250

MEMORANDUM OF LEASE

AUG 31 '98

3-03 PM

On August 7, 1998, **FLEX LEASING CORPORATION**, a Delaware corporation ("Lessor"), having its chief executive office at 234 Front Street, Suite 300, San Francisco, California 94111, and **PHILLIPS PETROLEUM COMPANY**, a Delaware corporation ("Lessee"), having its chief executive office at 352 Adams Building, Bartlesville, Oklahoma 74004 entered into a lease dated as of August 7, 1998 covering the railcars as identified in the attached Annex A.

[Remainder of page intentionally left blank]

My commission expires: 2/12/2002

ANNEX A

Description of Equipment

Forty Two (42) 6245 Plastic Pellet Lined Covered Hopper Cars, all of which have the following car initials and numbers (all numbers are inclusive):

PSPX 9201 - PSPX 9202
PSPX 9204 - PSPX 9211
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PSPX 9227 - PSPX 9229
PSPX 9232 - PSPX 9234
PSPX 9236 - PSPX 9250